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THE GENERAL FINANCIAL SITUATION.

The principal money markets of Europe have not materially altered their complexion during the week. Bank rate in London remains at 3 p.c. The Bank of England secured practically all of the $3,000,000 African gold arriving. Money in the open market is quoted at 1¼ p.c. Discount rates are: short bills, 2⅜ to 2½; three months' bills, 9-16 to 2⅝. The market rate of discount in Paris is 2⅛, and in Berlin 3 p.c. Bank of France rate is 3 p.c. and that of the Bank of Germany 4 p.c.

In New York call loans are about the same as a week ago 2¼ to 2½, and the demand is not so far very keen; but the market for time money has been quite strong and rates show a tendency to rise. Sixty day loans are 2¾ to 3¼ p.c.; ninety days, 3¼ to 3½ per cent.; ninety days, 3¼ to 3½ per cent. and six months, 3⅞ to 4 per cent. The Saturday statement of the New York banks shows them to have strengthened their position. In the case of all members of the clearing house there was shown a loan contraction of $20,400,000, a cash loss of $5,400,000 and an increase in the excess cash reserve amounting to $160,000. The exhibit of the position of the banks alone shows a more satisfactory gain in reserve strength. In the case of these institutions the loan contraction amounted to $8,456,000, the increase of cash was $2,340,000, and the increase of surplus $4,207,000. The total surplus of reserve is $16,452,750.

Rates for call loans have been affected slightly by the liquidation occurring last week and thus. Declines in the active stocks have been quite extensive and many margined accounts were cleaned out. Opinions differ as to the cause of the liquidation. It is said that some forced selling has been due to the withdrawal of funds from Wall Street by the interior banks. The approach of the harvest season, of course, forces the interior banks to recall their balances and loans. Also the resumption of the gold movement to Canada is said to have exerted a depressing influence. This movement doubtless is one of the outward and visible signs of calling of loans in New York by the Canadian banks or of the recall of bank balances carried there by them.

Another cause of depression was found in the demand of the shopmen and mechanics employed by leading Western railways for increase of pay. It is supposed that the demands already made are merely the beginning of general demands from certain classes of railway labor. At any rate they were met with quick and decisive refusals and so Wall Street probably has some fears of great strikes. Those who give intelligent study to this matter are well aware that when the Interstate Commerce Commission embarked on the policy of sternly repressing increase of frieght rates and of decreeing reductions in some cases, the door was closed, for the time at any rate, upon general wage increases for railway employees. Even if they are faced with disastrous strikes the railway managers cannot now give heed to proposals for generally increasing their expenses through raising their wage schedules. In the meantime the progress of the crops on both sides of the international boundary continues to be satisfactory. Although the grain crops in the western states are not all that might be desired the condition of cotton continues to be good. As regards the last named staple it has yet to go through some critical weeks, but it is to be hoped that it will escape serious injury